

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: January 19, 2011

Re: DOJ Report to JFC

Attached is a report on money received by the Department of Justice under a court order or a settlement agreement for providing restitution to victims from the Department of Justice, pursuant to s. 165.25(10), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

J.B. VAN HOLLEN
ATTORNEY GENERAL

Kevin M. St. John
Deputy Attorney General

RECEIVED
JAN 19 2011

BY: J. Finance

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Budget and Finance Director
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January 18, 2011

Secretary Michael Huebsch, Department of Administration
Members, Joint Committee on Finance

Dear Secretary Huebsch and Members, Joint Committee on Finance:

This report is submitted under sec. 165.25 (10), Wis. Stat., which requires a report regarding money received by the department of justice under a court order or a settlement agreement for providing restitution to victims.

During the period of July 1, 2010 through December 31, 2010, these restitution cases received and/or disbursed payments:

<u>Case</u>	<u>Received</u>	<u>Disbursed</u>
1. <i>Asphalt Specialists</i>	\$13,332.14	\$14,332.14
2. <i>Kool View Company</i>	\$3,000.00	\$0.00
3. <i>Various Medicaid Fraud Cases</i>	\$4,532.15	\$4,532.15

The following is a brief description of each settlement agreement for providing restitution to victims.

In the *Asphalt Specialists* case, the defendant violated Wisconsin's home improvement code and engaged in deceptive advertising/business practices. The court ordered payment of \$23,332.14 payable to the DOJ in monthly installments. Prior to July 1, 2010, \$10,000 was collected by DOJ and \$9,000 was paid out. During this six-month period, the DOJ received the remaining \$13,332.14 and paid out \$14,332.14 in restitution payments to nine consumers. The restitution activities for this case are now completed.

Kool View Company entered into a consent judgment in the amount of \$200,000 for deceptive marketing practices by misrepresenting the deferred rebate program known as the National Energy Rebate Fund. Wisconsin has received an initial payment for \$20,000 from

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KoolView, all of which will be paid as restitution. No restitution payments have been made, given pending collection efforts to satisfy the \$5.5 million default judgment obtained against the National Rebate Fund, Inc. and Timothy Stubbs. Another defendant, Matthew Stubbs, stipulated to a judgment of \$20,000, also for restitution. There are approximately 300 Wisconsin victims, and for efficiency's sake, the DOJ will wait to make a distribution until more funds are obtained, rather than making successive rounds of restitution payments. Restitution will be paid to all injured consumers, not just complainants. \$3,000.00 was collected during the reporting period.

During the six month reporting period, the DOJ received \$4,532.15 in restitution from various defendants guilty of violations related to the Medicaid program. Of this amount, DOJ paid \$190.45 to a single victim and the rest, \$4,341.70 was paid to the state's private vendor for Medicaid Services, EDS Corporation.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Anderson', with a long horizontal line extending to the right.

Bonnie Anderson
Budget and Finance Director